



**Comments by the  
National Milk Producers Federation and the U.S. Dairy Export Council  
Regarding the USITC Investigation into the  
Economic Impact of Revoking PNTR for Products of China**

**USITC Docket ID: 332-609**

April 13, 2026

The Honorable Amy Karpal  
Chair  
United States International Trade Commission  
500 E Street, SW  
Washington, DC, 20436

Dear Chairwoman Karpal:

Our organizations submit the following comments in response to the U.S. International Trade Commission's investigation into the economic impact of revoking permanent normal trade relations (PNTR) for products of China. The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) appreciate the opportunity to present their views on this important issue.

NMPF develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce over two thirds of the U.S. milk supply, making NMPF the voice of dairy producers on Capitol Hill and with government agencies. NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing. NMPF's contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation's consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

USDEC is a non-profit, independent membership organization representing the global trade interests of U.S. dairy farmers, dairy processors and cooperatives, dairy ingredient suppliers and export trading companies. Its mission is to enhance U.S. global competitiveness and assist the U.S. industry to increase its global dairy ingredient sales and exports of U.S. dairy products. USDEC and its 130-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, the Middle East, and Europe.

## **A Vital Market for U.S. Dairy**

China is the world's second most populous country, with a population exceeding one billion consumers.<sup>1</sup> The United States' decision to normalize trade relations with China in 2001, with China reciprocating by opening previously closed markets to U.S. dairy and agricultural exporters, has led to U.S. suppliers developing what had been a largely untapped market into one that directly affects farmers' bottom line. As the United States deliberates China's PNTR status, it is imperative to evaluate the consequences that a revocation would have for U.S. dairy and agricultural producers, both in terms of a likely reversion to prohibitively high tariffs and a loss of key leverage to address nontariff barriers to trade.

Prior to China's PNTR status taking effect, U.S. dairy exports to China totaled less than \$40 million in 2001. Nearly 25 years later, U.S. dairy producers exported \$523M in dairy products to China.<sup>2</sup> While the industry has strengthened ties with Chinese buyers and the U.S. government has engaged with China to address trade barriers, primarily through the 2020 Phase One Trade Deal, this progress would not have been possible without the low-tariff, non-discriminatory trade treatment extended by China in response to China's PNTR status with the United States.

While China now represents U.S. dairy's fourth largest export market, it still heavily relies on New Zealand for 49% of its dairy imports by value, with the EU serving as its second largest supplier at 37% of the dairy import market. China serves as the United States' fourth largest export destination in spite of considerable tariff disadvantages to New Zealand, as its suppliers are granted tariff-free dairy access into China while the United States currently faces a ten percent retaliatory tariff plus MFN rates. The export volume despite headwinds is testament to both Chinese demand for U.S. products and the nearly three decades of investment that the U.S. dairy industry has committed to growing the market. U.S. exporters see an opportunity to further build upon this foundation and compete for even greater market share in the Chinese market.

However, doing so would be substantially more difficult should the U.S. government revoke China's PNTR status.

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<sup>1</sup> U.S. Census Bureau, *U.S. and world population clock*, <https://www.census.gov/popclock/world/ch>

<sup>2</sup> U.S. Census Data, Trade Data Monitor, U.S. Dairy Export Council

**Figure 1: U.S. Dairy Exports to China by Value**



Source: U.S. Census Bureau, Trade Data Monitor, U.S. Dairy Export Council

**Figure 2: U.S. Dairy Exports to China by Product**

U.S. Dairy 2025 Exports to China	
Product Category	Value
Whey Products	329,670,427
Lactose	112,772,104
Cheese	26,300,387
Infant Formula	16,277,760
Milk Powder	14,108,170
Milk Protein Concentrate	9,530,211
Casein & Caseinates	5,696,551
Food Preparations	4,478,000
Butter & Butterfat	1,651,420
Ice Cream	1,565,880
Fluid Milk	251,232
Yogurt & Buttermilk	138,011
Sweetened & Condensed Milk	96,395

Source: USDA Global Agricultural Trade System, U.S. Dairy Export Council

## **Phase One's Regulatory Progress for Dairy**

The U.S.-China dairy trade relationship has strengthened in recent years, in large part due to the Phase One Agreement – negotiated and enacted during the first Trump Administration – and the concrete benefits that it has delivered for U.S. dairy producers.

### *Tackling facility and product registration steps*

For years, U.S. dairy exporters faced a labyrinthine Chinese facility registration system that required individual facilities and products to be separately approved – a process that was slow and opaque. The Phase One agreement specified that China must streamline these procedures, reducing bureaucratic bottlenecks that had effectively shut many smaller U.S. processors out of the market entirely. Under the new framework, Chinese authorities committed to clearer timelines and more predictable approval pathways, giving U.S. firms greater certainty when planning export operations. The process to date has largely been working well for U.S. dairy exporters.

### *Improving the regulatory pathway for infant formula, fluid milk and dairy permeate*

China is the world's largest infant formula market, making regulatory access to it a key priority for U.S. dairy interests. Yet U.S. producers had been largely locked out due to onerous and unclear certification requirements. Under the Phase One agreement, China agreed to streamline the registration and audit system for infant formula products from the United States.

In addition, it agreed to accept imports of various other U.S. dairy products that had long been under regulatory review by China, thereby opening up access for those products as well.<sup>3</sup> For fluid milk specifically, China agreed to clarify the market access requirements and regulations related to fluid milks – including fortified, pasteurized, extended shelf life, and ultrafiltered milks – and to eliminate the questionnaire requirements that fluid milk producers previously had to complete to obtain facility registration.

### *New geographical indication transparency and due process obligations*

A major concern for U.S. dairy exporters was that China might adopt the European Union's aggressive approach to geographical indications (GIs), which would have restricted the use of common dairy terms like "parmesan," "feta," or "asiago," effectively blocking U.S. products that rely on those widely used names. The Phase One agreement included commitments from China to provide notice-and-comment periods and due process protections before implementing new GI restrictions, giving U.S. industry a seat at the table. It also affirmed that generic or common food names should remain available for use, a direct pushback against EU-style GI expansionism.

While we encourage pursuit of commitments that mirrors those found in the Administration's Agreements on Reciprocal Trade deals on common names with China, to date, U.S. exporters have

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<sup>3</sup> Office of the United States Trade Representative, *Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China (Phase One)*, 2020, [https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic\\_And\\_Trade\\_Agreement\\_Between\\_The\\_United\\_States\\_And\\_China\\_Text.pdf](https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_Agreement_Between_The_United_States_And_China_Text.pdf)

not seen enforcement measures taken by China against the use of common names in the Chinese market.

As the ITC weighs the impacts that a PNTR revocation would have on U.S. agricultural exports, it is important to consider the limiting factor that a redesignation of China's MFN tariff status would have on the United States' ability to maintain the important gains secured in the Phase One agreement and effectively address any new trade irritants should they arise.

## **Conclusion**

As we have seen over the past several years, China has not hesitated to retaliate against the United States by raising tariffs on U.S. exports or intentionally cutting back on purchasing U.S. goods. Our concern is that if the U.S. government were to revoke China's PNTR status, China would retaliate by imposing retaliatory tariffs, revoking Most Favored Nation (MFN) status for U.S. products into the Chinese market more broadly, and/or reversing the progress that has been made through the Phase One Agreement, thereby risking large losses to U.S. dairy competitors in New Zealand, the European Union and elsewhere.

As the world's largest dairy importer, China represents a uniquely valuable opportunity for the U.S. dairy industry. We would respectfully urge the U.S. government to consider approaches that protect and grow these commercial interests, rather than pursue measures that could invite retaliation or jeopardize valuable trade relationships.

The Phase One Agreement made important progress that both parties should preserve and build on to ensure that the U.S. dairy industry can continue to be a strong supplier to China. On behalf of NMPF and USDEC's member companies, we appreciate the opportunity to provide comments on this important issue, and we remain available to provide any further clarification as needed. Should you have any questions, please feel free to contact us.

### **Point of Contact:**

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